

MAY 13 1943

# *The* **Management REVIEW**



**MAY, 1943**

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**COMMENT • DIGEST • REVIEW**

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# *AMA's Spring Conference* ON **Insurance Management**

*May 25 and 26*



*Hotel New Yorker  
New York City*

## *A "Refresher" Conference*

This Spring, 1943, Insurance Conference will be devoted to "refresher" discussions on the principles of insurance buying. For example, one session will be a questions-and-answers panel at which insurance buyers from representative concerns will discuss the subject, "The Development of an Insurance Program." In papers and panel discussions various other topics will be covered, including: "The Revised New York State Fire Policy," "Operation of a Testing Laboratory," "Insurance Coverage and Adjustment of Losses," and "New Types of Insurance After the War."

To many executives it may appear that such a Conference program is somewhat out of step with the times, since it provides no place for the study of such directly war-related topics as War Damage Insurance, Plant Protection, Insurance in Government Contracts, etc. It will be remembered, however, that AMA Insurance Conferences of the past two years have treated these subjects comprehensively and exhaustively. The Insurance Division Council now believes that these discussions can be considerably "firmed up" through conference study of insurance management fundamentals.

*Plan Now to Attend!*

**AMERICAN MANAGEMENT ASSOCIATION**

# CONTENTS

MAY, 1943

Volume XXXII

No. 5

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American Management Association  
Printed in U. S. A.

## The Management REVIEW

### Partial List of Contents

#### The Management Index

Labor After the War.....	162
<i>Postwar Economic Problems</i>	
Mistakes to Avoid in Postwar Planning.....	165
<i>Sales Management</i>	
Analysis of Office Forms: A Check- List .....	167
<i>N.A.C.A. Bulletin</i>	
Wartime Role of Factory Hospitals.....	170
<i>The Wall Street Journal</i>	
How to Woo War Workers.....	172
<i>Printers' Ink</i>	
How Britain Develops Forewomen.....	176
<i>Supervision</i>	
Tested Ways to Reduce Absenteeism.....	179
<i>Factory Management and Maintenance</i>	
Your CMP Procedures.....	182
Termination of Fixed-Price Contracts.....	188
<i>Credit and Financial Management</i>	
Survey of Books for Executives	
Wartime Supervision of Workers.....	194
<i>Reviewed by Guy B. Arthur</i>	
And Others	

WHAT is the long-run outlook for organized labor in the United States? Will postwar trends in the labor movement parallel those of 1919-24—a period that witnessed the greatest recession in the history of American labor? Following the last war, the American Federation of Labor lost more than 1,000,000 members—in part, as a result of the demobilization of war industries and consequent unemployment; in part, some contend, as a result of labor's own excesses. Many observers predict a similar reversal for unions after this conflict.

A divergent view is voiced by Professor Sumner Slichter in the feature abstract of this issue (*Labor After the War*—page 162). While trade unions may suffer to some extent, he declares, they will gain in members and power after the war—mainly because of the imposition of union security clauses by the National War Labor Board. This growth of unionism will require numerous changes in managerial personnel, and the replacement of slipshod personnel administration with management of higher caliber.

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JAMES O. RICE, Editor, 330 West 42nd Street, New York, N. Y.

M. J. DOOHER, Associate Editor

ALICE L. SMITH, Assistant Editor

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161

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Mistakes to Avoid in Postwar Planning 165  
*Sales Management*

Analysis of Office Forms: A Check-  
List ..... 167  
*N.A.C.A. Bulletin*

Wartime Role of Factory Hospitals..... 170  
*The Wall Street Journal*

How to Woo War Workers..... 172  
*Printers' Ink*

How Britain Develops Forewomen..... 176  
*Supervision*

Tested Ways to Reduce Absenteeism 179  
*Factory Management and Maintenance*

Your CMP Procedures..... 182

Termination of Fixed-Price Contracts 188  
*Credit and Financial Management*

#### Survey of Books for Executives

Wartime Supervision of Workers..... 194  
*Reviewed by Guy B. Arthur*

And Others

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161

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# THE MANAGEMENT INDEX

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## *General Management*

### Labor After the War

**W**HAT will be the position of labor in the United States in the postwar world? What will be its problems? What will be its position on national issues? What contribution will labor be willing and able to make toward solving the postwar problems of the nation?

While war will produce important changes in the position of labor, not all of these can be foreseen. Among the changes which seem most certain to occur are:

1. An increase in non-agricultural employment relative to agricultural employment. This will be the result of the unwillingness of many young men drawn from agriculture into the war industries and the armed services to return to farming. Prior to the war about one-fifth of the gainfully employed persons of the country were in agriculture. The demand for agricultural products, however, was not sufficient to produce a good living for such a large proportion of the gainfully employed. Consequently, the average

income of farm workers was roughly only two-thirds of the average income of those in non-agricultural pursuits. The improved distribution of labor after the war will tend to reduce the disparity between the incomes of farmers and industrial workers.

2. A far better trained working force than the country has ever possessed. Never before has systematic training been given in American plants on a scale comparable to that of the last two years. The scope of training will increase as the war continues. Some of the jobs for which people are being trained will not exist after the war, but the results of training in precision, in close attention, in responsibility, and in self-reliance will persist. Furthermore, many of the skills will have important peacetime applications. This is true of welders, airplane pilots, tool- and diemakers, all-round machinists, and maintenance men for aircraft, radio, and many other occupations.

3. Far more attention to systematic training and upgrading of workers.

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Before the war, progressive personnel men had been persistently emphasizing the need for better training and systematic upgrading. Progress was slow because of preoccupations and prejudices which prevented top management in most American plants from gaining insight into labor problems. As a result of the war, systematic training and upgrading has made as much progress in three years as it would have made in a decade. The extension of systematic training will be important both in raising labor efficiency and in compensating in part for the restrictions on labor mobility imposed by seniority rules.

4. An enormous extension of industrial research. Research grew rapidly in the 20 years before the war. Here again we see the war forcing a far faster development than would otherwise have occurred. The effect will be cumulative because an extension of research by one concern forces an extension by others. The great impetus given to industrial research by the war will increase the elasticity of the demand for a wide variety of products and hence will increase the elasticity of demand for many kinds of labor. It may also cause workers to be confronted to a greater extent than ever with the problems of technological change.

5. Broader employment opportunities for Negroes. The Negroes' uphill fight to win a foothold in new occupations fluctuates with the labor market. When men are scarce, Negroes gain ground; when jobs become scarce, they lose part of their newly won opportuni-

ties. The acute labor shortages of the war are giving them an unprecedented opportunity to break into factory and office work from which they had been excluded. A good part of these gains will be held.

6. Larger and stronger trade unions. Trade unions may suffer to some extent because of excesses committed in their name during the war and because some unions have gained power faster than is good for any group of men. But although unions may suffer in public esteem, they will gain in members and power. The reason is that the war has given the government an opportunity to impose union security clauses upon many employers. The spread of unionism will require many changes in managerial personnel, and the replacement of slipshod personnel administration with management of far better caliber.

7. Spread of union-management cooperation in improving methods of production. The production committees fostered by Donald Nelson have done good technical work in some plants and have advanced little beyond ballyhoo in the great majority. Nevertheless the committees are helping to break down prejudices among both workers and employers against the idea of organized participation of workers in improving methods of production.

8. New leadership in business and labor. When the soldiers and sailors return, many men who have developed qualities of leadership under the severe conditions of war will forge ahead in both business and unions. It is impossible to predict how the new leader-

ship will affect the policies of business and unions, but the returned service men are bound to be important in all branches of national life and their points of view will be affected by their war experiences.

Most unions believe that their principal problem after the war will be fighting deflation and unemployment. Some of them are accumulating funds for fighting wage cuts.

On the other hand, the economic policies of organized labor are likely to help prevent a postwar boom. The basis for the threat of a boom will be an abnormally high propensity to consume—the result of efforts to convert surplus savings into goods. The effect of the high propensity to consume may be offset, in part at least, by an unfavorable shift in the investment function. Union wage policy will tend to keep the prospect for profits unfavorable, because unions will press for wage increases despite the continuation of price controls.

The happy stage at which collective bargaining is really based upon the national interests of capital and labor will not be readily reached. The struggle of individual employers and

groups of employers and of individual unions to use their bargaining power in their own way and to their own particular advantage, regardless of the effect upon the nation as a whole, will be stubborn and persistent. Yet, so long as bargaining is conducted by rather small autonomous units, it is not so much a method by which workers gain wages at the expense of employers as a method by which each of many thousands of small groups of workers limits slightly the employment opportunities of all workers. Once the day is reached—as it eventually will be—when the broad outlines of a national wage policy are fixed for the purpose of producing the largest possible payrolls and profits, relations between employers and workers will undergo a revolutionary change and the basis will be laid for cooperation between them in promoting expansion and technological progress—a cooperation which will give the economy far greater power to raise production than it has ever possessed. BY SUMNER H. SLICHTER. From *Postwar Economic Problems*, edited by Seymour E. Harris (McGraw-Hill Book Company, Inc., New York, 1943).

### **Dramatizing Absenteeism**

ONE of the most effective ways to keep workers war-conscious is to flank the plant honor roll with posters which publicize production achievements or shortcomings. The men are thus made to realize that what they do, or fail to do, directly affects their pals on the fighting fronts.

Consider absenteeism, for example. One British plant posts a list of men in the fighting forces with the caption: "These men are Holding the Front Line for Us." Next to this honor roll is posted daily a list of employees who were absent from work the day before, and who are known not to have been ill. Nothing more is needed—the men get the point.

—Dartnell News Letter 10/31/42



## Mistakes to Avoid in Postwar Planning

WITH the widespread constructive interest that has been aroused in postwar planning, it would be unfortunate if numerous companies got started off "on the wrong foot" and ran into needless early discouragements. On the other hand, if the pendulum, in true American style, overswings the mark on the side of planning, it is possible that postwar planning may become a sort of national business fad, an industrial "pastime" in which every company engages willy-nilly, simply because "everybody's doing it."

Thirteen major mistakes are being made, or appear likely to be made, in postwar planning. As an aid in avoiding these rather common errors, there are listed below 13 "Don'ts" which, if observed, should prevent false starts, save time and money, and result in a plan that really meets the individual company's needs and makes a genuine contribution to national prosperity after the war:

1. *Don't start on postwar planning unless and until your top executives are "sold" on it.* The decision to engage in postwar planning is a top-management policy decision. If it is necessary to sell the decision "up the line," and the top executives give assent grudgingly or halfheartedly, you can expect future trouble in the form of reluctant budget approvals and lack of sympathetic understanding of the time and amount of work required to do a good job of postwar planning.

2. *Don't nibble at the postwar planning job.* You can't sample postwar planning to determine whether or not you like it! At all costs, avoid any half-doing of the job. Such procedure will waste thousands of dollars' worth of time and money and produce nothing.

3. *Don't try to do the job without selling all key people in advance.* More than any other job ever launched, postwar planning is an organization-wide, cooperative endeavor. All key people must be sold on the need, purpose and practicability of the project. Bulletins and letters and house-organ articles alone will not do the job. Use meetings, followed by open-forum question-and-answer and discussion sessions, plus personal selling of important but reluctant individuals whose cooperation is essential to success of the plan.

4. *Don't give one man full responsibility for postwar planning without giving him equal authority.* A staff man without line authority will not be able to get the job done. First, he needs money—let him have a budget. Second, he needs internal cooperation—see that he gets it. Third, he may require outside aid and information.

5. *Don't make your initial assignments too specific.* No man, at the beginning of a company postwar planning project, can envision all the paths which must be explored or all the topics which must be examined. It is wise to keep the initial assignments general. Establish objectives, yes, but keep them

broad and not too specific. This encourages all cooperating thinkers to scan the horizon in many directions.

6. *Don't search afield for the perfect "place to start."* Postwar planning, like charity, begins at home. Start "where you are, with what you have," realizing that you first must get a clear cross-section picture of *where you have been and where you are now*—before you try to visualize where you are going.

7. *Don't draw new road maps for old, traveled routes.* In other words, don't start from Adam and Eve. Build on the work already done by your trade association, the Committee for Economic Development, the National Association of Manufacturers, the U. S. Chamber of Commerce, or any one of several dozen others which have done excellent pioneer work.

8. *Don't set your sights on solely selfish goals.* Many companies must plan now to survive in a great after-the-war competitive battle. Others plan ahead for many other reasons: to maintain volume, regain lost markets or reestablish neglected ones, utilize huge war plants and equipment, capitalize on new processes, or introduce new materials and products. But, basically, all business is planning ahead now to maintain full-scale employment in private industry after the war—as the only alternative to a totalitarian regime and the socialization of all industry.

9. *Don't tie your plans to transitory headlines.* Every dramatic new technical development, every speech with a fresh angle, sets off a series of

newspaper headlines lacking technical accuracy. "Cargo Planes to Displace Rail Freight After War"; "Sees Plastics Replacing Steel in Skyscrapers." Don't tie your postwar planning to these half-baked stories.

10. *Don't close your mind—nor the ballot-boxes—until the votes are all in.* Don't permit your planners to close their minds or pass final or even tentative judgment on any plan, suggestion or idea—*while your planning project is still in the idea-gathering stages.*

11. *Don't freeze your conclusions too soon.* Keep your final plans fluid as long as you can. Unless your plans, like the U. S. Constitution, provide well-defined means for revision, they may soon be out of step with the times.

12. *Don't stake your future on a single plan.* No group of planners counts on any one plan's being 100 per cent right. Rather they list the probable courses in the order of the likelihood of their occurrence. Then they set up alternative plans suitable for each foreseeable eventuality.

13. *Don't keep your planning activity secret from your employees.* Employees, in many cases, are as much interested in postwar planning as are their employers. Wise employers, therefore, are announcing to their employees that their companies are starting, or are engaged in, postwar planning. Employees like also to see the company's postwar planning *objectives* in print, especially when they include objectives in which the employees have a common interest.

BY BURTON BIGELOW. *Sales Management*, April 1, 1943, p. 36:3.



# Office Management

## Analysis of Office Forms: A Check-List

**I**NCREASED clerical work, coupled with a shortage of help, has posed serious problems for many offices. Clerical procedures are being revised to eliminate work which is least essential under wartime conditions, and ways and means are being sought for making more effective the work of the available employees. This latter objective may often be attained through a survey of office forms, with particular reference to design and type.

Since printed forms vitally affect the efficiency of an organization, they must be designed with clerical economy as one of the prime considerations. Only thus will it be possible to fill many of the gaps left by those who have gone to war.

The following check-list provides an intelligent basis for the study of office forms and the elimination of unproductive operations:

1. Does the form by title and arrangement clearly designate its purpose?

2. Does each leaf in a multi-copy set clearly indicate the department for which it is intended?

3. Have colors been used to facilitate sorting, distributing, filing and identification?

4. Should the record be pre-numbered consecutively and, if so, is the number in a key position for easy filing or reference?

5. Does the form show form num-

ber, date and quantity ordered, and name of printer or supplier?

6. If the form is to be filed, will the size fit a standard file?

7. Does the grain of the paper run vertically through the form so that it will stand upright if filed?

8. Is the weight of paper stock consistent with the use and amount of handling it will receive? (Unnecessarily heavy copies decrease legibility on multi-copy forms and take up costly filing space.)

9. Are both the lineal and horizontal spaces correct for machine writing? On standard typewriters lineal spacing is ten characters to one inch; horizontal spacing, six lines to one inch.

10. If the form is to be mailed, will it fit a standard window envelope?

11. Is the space for typed information so arranged that waste motions of line spacing and tabulating are eliminated? This can be readily accomplished by spacing items horizontally rather than vertically to enable the operator to continue lineal typing instead of taking her hands from the keyboard to shift from one line to another.

12. Does the arrangement of typing coincide with the arrangement of information on the media from which the typing is done?

13. Have the users of the form been consulted for suggested improvements, additional requirements, or possible elimination? In all cases, determine

whether or not the form is actually needed.

14. Can the form be combined with other records, eliminating the necessity for separate typing?

15. Taking into consideration the probability of revision and the rate of use, is the quantity to be ordered most

economical from a manufacturing standpoint?

16. Do the nature and volume of the work require the use of a special labor-saving style of form, such as continuous or snapout sets?

By WILLIAM C. HUNN. *N.A.C.A. Bulletin*, February 1, 1943, p. 645:14.

## It's Time to Save Paper

**N**EW WPB directives put paper-saving in the front rank of conservation measures. Paper used by commercial printers has been restricted to 90 per cent of the gross weight of paper processed by them in 1941. And converters of paper into envelopes, stationery, file folders, and index tabs, among others, are cut to 90 per cent of the weight used for these purposes in 1942.

Here are practical ideas, in use by a number of companies, on how to conserve paper in the office:

Use half-size letterhead paper. By typing to the edge of the sheet, and perhaps by cutting down the size of the printed letterhead, a great many letters can be made to fit on an 8½" by 5½" sheet, half of the standard sheet. Johns-Manville reports that 75 per cent of its letters go on short paper. Tests have proved, too, that 50 per cent more words can be written on these sheets when the 5½" side of the sheet is used as the top than if the lines are written across the 8½" dimension. If cutting the sheet in half is not feasible, then a reduction from the standard 8½" by

11" to 8" by 10" will still save more than 13 sq. in. per sheet.

A further step taken by Johns-Manville and other companies is the substitution of 16-pound for 20-pound paper for letterheads. They have found the lighter weight satisfactory.

Additional paper can be saved by dispensing with certain forms and reports during the emergency. Investigation may reveal overlapping in forms and records between departments, branches, subsidiaries, etc. Frequently two or more forms can be modified slightly and consolidated to advantage, or the redesign of forms may reveal that they can fit on smaller sheets.

Standard Register Co., of Dayton, Ohio, redesigned a six-part invoice and cut the length 2½ inches. On 50,000 invoices, actual paper savings were more than 11 miles of continuous printed invoices and more than nine miles of continuous carbon paper. And, incidentally, the operators had 10,000 feet less paper to feed through the machines.

It's also a good idea to order forms in smaller quantities at more frequent

intervals in order to lessen the danger of their becoming out of date or deteriorating. The amount of paper supplies hoarded by individuals in so-called "private stockrooms" in desk and file drawers should also be kept to a minimum.

The amount of paper used for copies can also be cut drastically in most offices. Routing one copy of a report or a letter might well be substituted for distribution of individual copies.

All sorts of scrap paper can be collected and the backs used for scratch paper—obsolete or used forms, unused

mailings, advertising matter and announcements, even filed material which is slated to be thrown away (to say nothing of government releases!). Johns-Manville finds that paper scraps cut to size and stacked in a small desk box can be used just as readily as a gummed pad.

Waste paper may also be used in shredded form for packing material. But if this is not desirable, it should be kept separate from other trash and baled for reprocessing—never burned. *Modern Industry*, March 15, 1943, p. 22:2.

### ***Easing the Paperwork Bottleneck***

**B**Y using hammer and saw to redesign desks and by applying production-line methods, General Electric Company is easing the paperwork bottleneck in the statistical division of its Nela Park plant.

The plan, which was devised by A. H. Stricker, manager of the statistical department at Nela Park, is applicable to paperwork generally. General Electric estimates that the volume of work handled by the statistical department has almost doubled as a result of the war. Under the new program, however, this added work has been taken care of by an increase of only 10 per cent in personnel. Output of workers has increased 30 per cent and errors have been greatly reduced.

With the help of a few carpenters, the statistical department revolutionized the design of its office furniture. Desks were cut in height from the standard 31 inches to from 26 to 29 inches, depending on the size of the worker. The section of the desk top used for specific office equipment, such as comptometers, was lowered an inch and one-half below desk level. This makes it possible for the operator to work freely from her arms and shoulders and to maintain proper posture without strain. It reduces fatigue and helps step up output.

Metal racks with auxiliary lighting fixtures attached were devised to hold price books and other statistical material at the correct working position on the desk.

To reduce eyestrain, desks were covered with a light-colored, patterned linoleum. Walls were also lightened in color to reduce seeing contrasts.

A second part of the plan consists of applying production lessons learned in the factory. Work is routed to individual desks and carried away when completed. This "flow technique" saves time and reduces confusion. All work is carefully scheduled to avoid peak loads and to spread it out as evenly as possible.

General Electric estimates that the output of the millions of office workers in this country could be increased from 10 per cent to 25 per cent through general adoption of the methods worked out by Mr. Stricker.

Incidentally, the rising importance of the office worker is illustrated by the fact that today one office worker is required for each five men in the Nela Park plant. A decade ago one office worker was needed for every 30 plant employees.

—*The Wall Street Journal* 4/17/43

## Wartime Role of Factory Hospitals

**F**ACTORY hospitals are helping ease the manpower shortage.

Through medical examinations, they are enabling war plants to make the maximum use of physically impaired people who seek jobs. They detect and treat new maladies in regular employees. Dovetailing their work with safety programs, factory hospitals reduce the number of accidents. They insure war plants against the spread of epidemics that might seriously impede production.

Factory hospitals today vary from first-aid stations and dispensaries to fully equipped hospitals. The best equipped have latest model X-ray machines, electrocardiographs for testing heart conditions, sun lamps, and other up-to-the-minute devices. The staffs may consist only of a nurse and a part-time doctor, but in the larger hospitals they may include nurses, X-ray technicians, laboratory technicians, dentists, surgeons and doctors specializing in medicine. They vary in size from a single room to units with hospital wards and offices for each of the staff doctors.

Factory hospitals' work today is essentially the same as in peacetime, but war has brought many new problems. As plants have converted to new products required for war, different types of accidents and new industrial diseases occur. The factory hospitals not only treat them but aid in setting up

preventive programs. Long hours and night work impose a heavy strain on workers and, at the same time, add to the work of the factory hospitals. When workers arrive from some other section of the country, they frequently require medical attention. A large proportion of people who come from the hills of the South, for example, may have hookworm, which saps their energy. This disease, of course, must be eradicated if they are to do a good job.

Examination of prospective employees and re-examination of old workers from time to time is one of the bigger jobs factory hospitals are doing. At Thompson Aircraft Products Company, for instance, almost every person hired is fitted into the job best suited to his physical strength.

Here's how it works: A man with poor vision will be given a job as a laborer rather than on a machine. Another, crippled in one leg, may be employed at inspection work. If a person has a heart ailment, he is likely to obtain employment at light work during the day shift. Blonde girls with skin of fine texture are particularly subject to skin diseases, so they are given jobs where they will not come in contact with strong solvents or cutting oils.

By carefully coordinating the work of factory hospitals with safety programs, industrial companies have greatly reduced accident rates. At Re-



public Steel Corporation, the lost-time accident rate (covering accidents serious enough to keep an employee out for a day or longer) has decreased in the face of higher employment.

One of the keys to Republic's success in cutting down accidents is the reports which are filled out every time a treatment is given in a plant dispensary. These are tabulated and analyzed. Any increase is investigated, the cause determined, and efforts made to cut the number of accidents. The company has 35 dispensaries and 15 first-aid rooms at its plants and mines. Manning these are 80 nurses and orderlies and 58 doctors.

Factory hospitals prevent plant epidemics. At a factory in Cleveland recently, eight cases of mumps were detected in one department. Every employee in this section of the factory was checked and the potential epidemic nipped in the bud.

Using the factory hospital as a nucleus, war plants have devised a system for keeping the factories going in case of air raids. Additional first-aid sta-

tions have been established in plants where the dispensary is some distance from the workplaces. At Republic, the medical staff has trained 10,000 employees in first aid so they can assist in an emergency. The dispensary in a Republic plant in Cleveland has been equipped with duplicate lighting to provide electricity if the city supply is cut off by an air raid. First-aid stations are also specially equipped to handle emergency air-raid cases.

From time to time, important discoveries originate in factory hospitals. Goodyear, for example, has adapted sponge rubber for lining plaster casts. Several years ago, the late Dr. J. A. Carnes, of Republic, was instrumental in formulating in the company's research laboratories a molybdenum stainless steel that can be used to great advantage in steel plates, screws, nails and wire for the treatment of fractures. It possesses great strength, yet is free from any chemical or electrical reaction when used on the human body. By JOHN A. McWETHY. *The Wall Street Journal*, April 27, 1943, p. 1:2.

### ***Union Scales in the Building Trades***

**J**OURNEYMEN in the building trades in 75 cities had union scales of wages averaging \$1.556 per hour on July 1, 1942. Helpers' and laborers' rates averaged 83.9 cents. For the whole building trades group the average was \$1.362. The above rates represent an increase of 5.6 per cent for journeymen, as compared with June 1, 1941, of 10.0 per cent for helpers and laborers, and of 6.3 per cent for all building trades workers combined.

Weekly working hours permitted under collective agreements averaged 39.5 on July 1, 1942—39.2 for journeymen and 40.3 for helpers and laborers. The 40-hour week was by far the most commonly provided for, covering 82.4 per cent of the trade union members.

—*Monthly Labor Review* 12/42

► A CHICAGO department store, reversing the usual procedure of hiring only draft-deferred men, is actually advertising for those with 1-A and 1-B ratings. These men, filling a number of temporary positions, are free to leave on short notice.

—*Forbes* 1/1/43

## How to Woo War Workers

**T**HE importance of advertising and selling techniques in stimulating the battle of production is becoming increasingly recognized. Herewith are 17 ways in which merchandising aid may be enlisted to solve war production problems:

1. *Promote safety.* Take a tip from Henry J. Kaiser's Oregon Shipbuilding Corporation, Portland, and promote safety with all the tricks of the advertising trade. Make a survey of all accident reports and classify them into groups; then direct a concentrated campaign against each group. Kaiser makes use of profusely illustrated stories in his employee magazine.

2. The value of *employee suggestions* is obvious. Place employee suggestion boxes near entrances and other handy places, and pay off for usable ideas in medals and cash. Surprisingly, many will work harder to win a medal. Solicit suggestions via shop posters, employee magazines, loud-speaker broadcasts, etc.

3. Organize a *joint management-labor committee* with equal numbers of representatives from each faction and, if necessary, an arbiter or chairman acceptable to both and representing the public. This committee should consider all production problems; and all proclamations, orders, propaganda, etc., should be issued over its name.

4. Help make *life outside the plant* as agreeable as possible. Arrange transportation schedules with transit

companies to suit the majority of workers. Organize a "travel bureau" where workers who drive to the plant can contact possible passengers. Persuade local merchants, movie houses, bowling alleys to keep open at such hours as will please swing-shift workers. Seek police cooperation in a drive against noises that affect those who must sleep in the daytime.

5. *SELL your workers on the importance of their war jobs.* A dramatic method of accomplishing this purpose was employed by Sealed Air Corp., makers of piston rings and engine parts. The products were traced to their destination in bombers, tanks, trucks, submarines, and torpedo boats. Samples of fighting equipment were obtained where possible, and in other cases photographs were enlarged. Then the company held a show to which all employees, their families, and the community were invited to see how the small parts made in the factory really played a vital part in war.

6. *Bring the war into your plant.* Constantly remind each worker that his brother, dad, friend or neighbor is depending on the products of his workbench to help him fight the war and survive. Publish letters from former workers at the front in your employee magazine. Get former workers in uniform to visit the plant. Collect gifts and ship them to men at the front. Give every man leaving for the service a proper send-off.

7. *Discourage waste.* Emphasize



the value of what the employees are making and the tools they use, either in man-hours or money, so that they will understand the need to do a job right the first time.

8. *Enlist the interest of the worker's family.* Send his copy of your employee publication to his home. Or send him a letter periodically giving news of how his department is meeting its production quota.

9. *Use posters.* In too many cases posters are too general and are left to hang beyond the time when they attract attention. Some plants offer weekly prizes for the best poster suggestion.

10. *Post working schedules.* No man should be able to give as an excuse for absence his ignorance of schedules.

11. *Promote patriotism.* The pay envelope should supply only part of the incentive to work. Some companies have found it profitable unostentatiously to distribute copies of the United States Constitution, to display the Flag, and to post sincere inspirational messages of a patriotic nature.

12. *Advertise locally.* Use newspapers and radio to build community pride in your plant and its employees.

13. *Give adequate attention to your canteen.* Help your workers stay healthy by providing good, nourishing food at attractive prices.

14. *Provide medical supervision.*

Insist that all cuts and bodily damages suffered at work be reported immediately and treated by a competent first-aidster on the premises.

15. *Be a good "housekeeper."* Littered and grease-stained floors and workbenches result in accidents and waste. The Chrysler Airtemp plant in Dayton has found it effective to use a "reverse" award. A big white elephant made of cardboard is awarded monthly to the department with the poorest housekeeping.

16. *Above all, use showmanship.* Standing at a lathe all day, performing the same operation, can become very humdrum—but not when new posters are being shown periodically, or when significant units of production, such as the 1,000th gun carriage, are decorated with signs and flags as they go down the production line.

17. *Combat absenteeism.* Ideas have ranged from paying absentees in Jap or Nazi money to complete advertising programs which employ every selling device. The achievement contest, dear to the hearts of sales managers, has maintained some noteworthy records over considerable periods of time. By pitting department against department, visualizing the results on novel scoreboards, and awarding either citations or other prizes, many firms have been able to hold attendance records at a reasonable level.

*Printers' Ink*, April 2, 1943, p. 21:2.

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► ONE HUNDRED Americans, compared to 36 Germans or 21 Japanese, are being killed in accidents on the home front. Half of the Americans lost are essential war workers.

—*Safety Zone Bulletin* 3/43

## Breaking Down the Color Line\*

**I**N 1941 the Winchester Repeating Arms Company, of New Haven, Connecticut, was faced with a labor shortage. To overcome it, the company decided to hire more Negroes, and within a year had increased the number of its Negro workers from 200 to 1,500.

Before 1941, Winchester employed Negroes only in custodial capacities. But when its personnel officers studied the records of its new Negro employees and discovered that many of them were well educated, the company decided to modify its personnel policy and to hire Negroes in all capacities. As a result, today Negroes work in 52 capacities in the Winchester plant. They work in the office as clerks as well as in skilled and semi-skilled jobs on the production line. One of Winchester's top personnel men is a Negro, and Negroes supervise both white and colored workers in the plant. After a year of mixing white and colored workers—men and women—in practically all jobs, everyone at Winchester hails the policy as a success.

When Winchester decided to give Negro workers opportunities for advancement, it gave them exactly the same opportunities that it gives its white employees. And this, the company says, is the reason why its policy of integrating Negro workers in its plant in all capacities is a success. As a result of Winchester's determination

to reward its workers for merit only, it upgraded 115 Negroes out of a total of 672 workers upgraded in a three-month period. White and colored workers not only work side by side, but they also eat together in the cafeteria, play together on athletic teams, and use the same sanitary facilities.

As was to be expected, when Winchester instituted its new policy and put Negroes to work in all divisions of its plant, a few white workers objected. However, the company overcame these objections and convinced the complainants of the soundness of its policy by discussing the whole question with them in a matter-of-fact but determined manner.

A study of Winchester's policy and experience, and those of many other large companies that have successfully integrated Negro workers, has led to formulation of a number of specific recommendations to management. These may be summarized as follows:

Once the decision has been made to integrate Negro workers, an employer must do it exactly as he integrates white workers. Nothing will encourage agitators more than indecisive or apologetic steps.

The first step is to educate the supervisory staff, on whom the real burden of integrating Negro workers will fall. Enthusiastic supervisors should be placed in charge of the first Negro recruits, but all must be required to ac-

\* A summary of *How Management Can Integrate Negroes in War Industries*, Committee on Discrimination in Employment, New York State War Council, 1942. 44 pp. Gratis.

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cept them if the program is to be successful.

Employ Negro white-collar workers first. This will minimize fears of loss of status on the part of white industrial workers when it comes their turn to work with Negroes. Less resistance will be encountered in the white-collar group when Negroes are integrated in it.

The rights of the Negro to work should be discussed in routine speeches and talks to the workers along with inspirational talks about the war, democracy and production. Interracial athletics will promote fair play and good will, but separate athletic teams should be avoided. Cafeteria, medical and recreational facilities must be open to all alike. Any other policy will lead to a demand for segregation on the production line. Racial epithets should be prohibited because of their damaging effect on worker morale.

The first Negro workers must be carefully selected. Reputable agencies, such as the U. S. Employment Service and the National Urban League, should be used to prevent hiring of undesirable workers who might cause trouble from the beginning. Experience indicates, incidentally, that the employment office will *not* be swamped with Negro applicants once you begin to hire them.

Discriminatory health examinations breed ill-will among Negro workers and are often contrary to the law. All health examinations should be the same for both races.

Negro personnel officers will facilitate the process of selection. They can best counsel on the many questions

which may arise. They provide evidence to the Negro worker of the company's fair attitude. Further, they can avoid stereotyped thinking in interviewing Negro workers.

Segregation of Negroes and whites must be avoided. It prevents understanding between the races and paves the way for open friction. It is resented by Negroes. It deprives them, also, of the competition of experienced white workers which will enable them to increase their efficiency. Successful integration of Negroes is possible if they are scattered over the entire plant by steady, not sudden, induction.

Individual counseling of Negro workers to avoid behavior which will tend to confirm prejudices is desirable. It can best be done by a Negro personnel officer. Similarly, the counseling of small groups of white workers will usually cause resistance to working with Negroes to disappear. But do not look for resistance of white workers; it may not occur at all.

Toilets are usually one of the greatest sources of friction, especially among women. If toilets are kept clean and orderly, and if all workers have health examinations and health service, friction will be eliminated. The same holds for locker rooms and showers.

Negro supervisors and foremen exist fairly widely in many industrial fields. Full upgrading opportunities must be provided in order to maintain a loyal, eager labor force.

Active steps are being taken by an increasing number of unions to aid in the integration of Negroes. Where union members object to the integra-

tion of Negroes, the company should discuss the situation with them but be firm in its decision to hire Negroes. Cooperation between management and the union should be sought, for the union

can do much to gain employee acceptance. Finally, fear of economic competition will be checked if it is made clear that Negroes receive equal pay for equal work.

## How Britain Develops Forewomen

**B** RITISH women who had never seen the inside of a factory 12 months ago are today chief inspectors of war plants, responsible for the accuracy of tens of thousands of intricate machine parts. Other girls are acting as forewomen, holding important supervisory posts and watching over the ceaseless inflow of new recruits to war industry.

Upgrading has made all this possible. Women workers who show promise in the workshops or in engineering training schools are selected by "talent spotters" for promotion. The chosen ones then attend "graduation" courses organized by the Ministry of Labor to fit them for more complicated work and greater responsibilities. Wages are not forfeit during the training period, since trainees are paid at a rate which corresponds to their average earnings over the normal working month. And candidates for higher-grade war work do not lose touch with their own factories, for welfare workers from those plants keep visiting the "schools" to note their pupils' progress.

The authorities look for three important qualities in choosing women for positions of technical responsibility. They must inspire confidence

in those working under them; they must be humane; and they must be scrupulously fair.

Technical supervision of women by women provides many advantages over male supervision. The workers gain confidence when they know that another woman can become expert on the job they are asked to do. And the forewoman who learned the job herself not so long ago remembers where her chief difficulties lay, and so is in a good position to instruct those under her charge.

Here is a typical example of an upgraded woman who has found her niche in wartime engineering. Mrs. Smith took a workshop and foremanship course, following this up with floor inspection and planning. Today she is a much-prized forewoman in a large shop where she has a wide range of duties. She writes this of her work:

"First there is foremanship and all its attendant duties, a thousand little things for the good of the firm and of the employees. Then come supervision of production, linking up of departments, moving girls from one section to another in order to obtain an even flow of work and to keep all machines running at top speed with no waste of



labor in any department. I also do inspection.

"I am expected to know the time allowance for each particular job in order to work with the costing department. If a job is wrongly timed, the operative brings it to me. I fix the time and sign the slips; otherwise the costing department will not accept them. I also supervise the packing and

sorting, so that we pack as economically as possible."

Incidentally, wages of forewomen range from \$14 to \$24 a week. The hours are at least as long as those of the operatives, and conscientious forewomen put in as much additional time as the job necessitates. BY JANE CUNLIFFE. *Supervision*, January, 1943, p. 6:1.

## Holidays in Union Agreements

**A** CONTINUING study of union agreements by the Bureau of Labor Statistics indicates that an increasing number of such agreements provide for payment of wages for some or all of the major holidays. In manufacturing, construction and mining, however, the majority of agreements provide time off on holidays without pay. As in the past, holidays with pay are customarily granted to salaried workers.

Among the industries in which agreements commonly provide paid holidays are women's clothing, bakeries, wholesale and retail trade, trucking, and office, technical and professional work. Some agreements in the leather-tanning industry provide two or three holidays with pay a year. In the remaining industries, a varying number of agreements provide for paid holidays, but these agreements cover only a negligible proportion of the total workers.

In a number of agreements which grant holiday pay, such pay is allowed

only to employees who have worked all or part of the preceding week. In a few agreements, part-time workers receive prorated holiday pay. Some agreements specify that absence on the day preceding or immediately following a holiday results in the loss of holiday pay. This, of course, is intended to prevent a pronounced drop in production during the holiday week.

Holiday pay for hourly workers is usually calculated by applying the employee's regular rate to the usual number of daily working hours. For pieceworkers, holiday pay is frequently determined by averaging the employee's daily earnings for a specified period.

Whether or not provision is made for payment of regular wages on holidays not worked, special penalty rates are usually provided if unusual circumstances make work necessary. However, the rate of pay for work on holidays tends to be higher under agreements providing pay for holidays not worked than under those which

do not provide for paid holidays.

Of the agreements which provide pay for holidays not worked, 70 per cent establish holiday penalty rates of double time, while an additional 20 per cent provide penalty rates of either  $2\frac{1}{2}$  or 3 times the regular rate. Most of the remainder provide time and a half for work performed on holidays.

Of the agreements which do not provide for paid holidays, approximately 50 per cent specify that double the regular rate shall be paid for work performed on holidays, and most of the remainder provide holiday rates of time and a half. Only a very few specify higher than double time for holiday work.

The number of holidays specified in union agreements varies considerably, some providing as few as two or three while a few specify as many as 12 and 13. Both the agreements which provide paid holidays and the agreements which provide holidays without pay most commonly specify six holidays—New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day. Some additional holidays frequently observed are Armistice Day, Election Day, Columbus Day, Washington's Birthday, and sometimes Lincoln's Birthday. Special local patriotic and labor holidays, as well as religious holidays, are also included in some agreements.

When the observance of holidays seriously curtails production, employers may require the time so lost to be made up by the employees. Some agreements, however, specifically prohibit making up time lost due to holidays. A few agreements which provide unpaid holidays give employees the option of making up holidays in order to avoid a decrease in normal weekly earnings. Make-up time, if permitted, is frequently worked on Saturday, if this is a regular day off. In some cases lost time is made up by working extra hours a few days preceding or following the holiday.

Regardless of the holiday provisions in existing union agreements, on all work relating to the prosecution of the war the rate of pay for work performed on holidays is now established by government regulation. Executive Order No. 9240, effective October 1, 1942, states:

No premium wage or extra compensation shall be paid for work on customary holidays except that time and one-half wage compensation shall be paid for work performed on any of the following holidays only:

New Year's Day  
Fourth of July  
Labor Day  
Thanksgiving Day  
Christmas Day

and either Memorial Day or one other such holiday of greater local importance.

*Memorandum No. 6, Bureau of Labor Statistics, U. S. Department of Labor, January, 1943, p. 15:6.*

► AT THE BEGINNING of 1942 700,000 workers had authorized wage deductions to be applied toward the purchase of War Bonds; at that time the average deduction was only 4 per cent of their pay. By the end of 1942, an average of more than 8 per cent was being deducted from the wages of 23,000,000 workers in 156,000 companies. Payroll deductions today account for more than one-third of all war savings.

—GLENN GARDINER in *Management Information*



# Production Management

## Tested Ways to Reduce Absenteeism

COINED in peacetime to describe a fairly simple thing, the term "absenteeism" has been stretched completely out of shape by the war-time effort to make it include a host of complicated things. Some say "absenteeism" when they intend to describe "slackerism" alone. Others meanwhile seek to whitewash labor of blame by laying stress on all the causes of *involuntary* absence.

Striking an average of all the reliable figures it has been able to obtain, *Factory Management and Maintenance* estimates that total absences are probably running at a current rate of at least 5.7 per cent. Potentially, this is even more serious than it seems, since we are just now attaining a production level that is only 60 per cent of our ultimate goals—and this when we are touching the bottom of our manpower barrel.

What are the causes of war worker absence? Not long ago a governmental committee in Washington prepared an analysis under headings A, B and C, with 18 subdivisions and 48 sub-subdivisions. This listed not only the obvious causes—illness and injury—but went thoroughly into housing and transportation difficulties, home responsibilities, child care, shopping difficulties, and time spent at rationing and draft boards. It also explored the psychological phases, such as poor job morale, fatigue, lack of war-conscious-

ness, and even homesickness. It cited factors for which management can be blamed, such as visible labor hoarding, poor production planning, and unhealthy working conditions, but it did not fail also to mention dissipation, drunkenness, surplus spending money, and plain laziness.

Withal, this committee missed several items which *Factory* has found in other lists, such as weddings, funerals, and court appearances. There is no end to the reasons why people don't show up for work. And there is no possibility of assessing their relative weight.

Yet this shadowy turmoil can be brought partially into focus by a diligent search for the answer to one question: *How much of absence from work may be considered unexcused?*

This question was directly asked of 10 representative war plants. Many of the replies were made in the presence, and with the concurrence, of labor members of labor-management committees. And the average of these replies was 46.1 per cent.

Supporting the view that much absence is avoidable, the familiar "week-end bulge" appears in almost every graph of absences in plants where records are kept. Paydays cause a similar bulge when they are scheduled to occur outside week-ends. The reduction in mid-week absences wrought by Executive Order 9240 reinforces the

view that much industrial absence is a matter of the worker's choice.

The editors of *Factory* recently set out to find companies which have dealt successfully with the problem of lost time. The quest was limited to: (1) plants that have maintained a steady total absence average of 2 per cent or less, or (2) plants that have achieved a sustained reduction in average total absence of 50 per cent or better. The cases that follow illustrate vividly how several plants have achieved these objectives:

Ohio Crankshaft, Inc., of Cleveland found early in August that it had a steady average of 5 per cent total absence. Between August 21 and September 4, this figure was knocked down to 2 per cent, has since declined to a current average of 1.5.

This impressive record is chiefly attributed by the company to a swing shift, coupled with a vigorous promotional attack on "Absence Without Leave" which has the cooperation of a labor-management committee.

The swing shift, running a seven-week cycle and assuring each worker one day off in seven, accomplished an almost instant reduction of 75 per cent in week-end absences, which had run as high as 20 per cent. Other methods:

An absence is classified as unexcused when a worker fails to call in with a legitimate reason for absence in time to give his foreman a chance to cover the job. To such a worker goes this telegram: "Winning this war requires everybody's total daily effort. Your absence causes lost work. Call

us at once so we can plan production without further loss."

Members of the personnel department visit absentees' homes to check on excused absences. Foremen and labor-management committee members talk severely to frequent offenders. These are made to feel also the opprobrium of needlessly draining the funds of the sick benefit plan. Plant bulletin boards keep daily score.

In Newark, N. J., the Celanese Corporation of America consistently maintains a total absence average of less than 1.2 per cent by available records.

At the end of each month, a summary of absence is mailed to all superintendents, the works manager, and the president of the local union. A separate sheet also lists the number of absent workers and the lost hours charged to them. Copies are forwarded, via the union, to shop stewards, who, in turn, talk it over with the workers. The War Production Drive Committee then analyzes these reports and forwards a letter signed by all committee members to any absentee out twice in the month.

At the Erie Resistor Corporation, of Erie, Pa., unexcused absence was singled out for special attack and made the objective of a vigorous drive in the company's largest department, *more than 90 per cent of whose 600-odd employees are women.*

Beginning with an average 3.12 per cent of unexcused absence in June, the figure in this department was steadily driven downward to November's 1.54. It has since held to a level of about half the original figure.

Erie Resistor draws a rigidly limited definition of excused absence. Any absence which has not been arranged for on the previous day through a leave-of-absence request handed to the supervisor and approved by the department manager is considered unexcused. Telegrams are sent to absentees not excused, and, unless a response is received within 24 hours, they are dropped from the payroll and restored without seniority on their return. If illness is the excuse presented, it must be certified by a physician.

The names of absentees are posted daily in the center of a placard at the entrance against a graveyard background of crosses. "What Kind of Cross Are You Responsible For?" is the headline challenge. The contrast is provided by the picture of a soldier receiving a Distinguished Service Cross.

Any employee with a record of three unexcused absences in a month may be subject to an additional two-day lay-off unless a satisfactory explanation is given. Frequent offenders may also be assigned to undesirable shifts.

These and other case histories un-

covered by *Factory* have certain features in common which justify the following observations:

1. Unexcused absence is the most susceptible, hence the most logical, first point of attack in any drive to increase wartime attendance at work.

2. Characteristic features of successful case histories include: (a) consistency in keeping and analyzing records of absence; (b) simplicity of method and an absence of spectacular and drastic procedures; (c) consistency in applying the principle of group and individual pressure and in the use of promotional material (plants were found which had lost all their gains in the fight on total absence because they relaxed too long); (d) co-operation between labor and management in the fight on the problem.

3. The problems of housing, transportation, shopping, child care, house-keeping responsibilities—the social aspects of absence—are either not prominent in the localities touched by this study or are not such important factors in absence as is commonly supposed.

*Factory Management and Maintenance*, March, 1943, p. 82:9.

### ***Industrial Safety Survey***

THE inadequacy of present plant safety measures may be deduced from the results of a recent investigation by the U. S. Department of Labor: Of all the war plants surveyed in 1942, about 42 per cent were paying no special attention to safety, 27 per cent carried on ineffective safety programs, while only 31 per cent had successful or partially successful programs.

As a result of recommendations to management by the Labor Department, 545 plants have employed full-time safety engineers, 1,075 have appointed a top operating official as safety director, and 5,230 have established joint labor-management safety committees. The trend toward cooperative safety programs may represent a belated recognition that the man on the job is usually best acquainted with its hazards and thus best able to suggest practical preventive steps.

## Your CMP Procedures

**O**FFICIALS of the War Production Board have put on record a statement that the Controlled Materials Plan will stay substantially as it is through the third quarter of 1943. Industry should count on operating under this plan for the duration. It should be familiar with the mechanics of the plan and understand how it ties in with and affects the basic priority structure with which management has been working for almost two years.

The check-list below outlines the broad, general pattern of procedures that should be followed by concerns operating under CMP:

1. Determine whether you are a prime or a secondary consumer under CMP.

2. Find out whether your products are A or B.

3. Check through all the firms from whom you buy parts, sub-assemblies and other components. Determine whether they sell you A or B products. Notify them of your decision and get an agreement in writing.

4. See that your more important B product suppliers are proceeding properly to obtain their requirements from the appropriate WPB division.

5. Decide whether you want to obtain requirements from and distribute allotments only to those suppliers from whom you buy directly, or all your suppliers and sub-suppliers simultaneously and separately.

6. Tell your suppliers how many units of production you will want them

to deliver to you monthly for the next 12 months.

7. Get their controlled materials requirements by having them submit either applications for allotments, bills of materials, or both.

8. Remember that bills of materials are not required unless specifically requested by a Claimant Agency, a WPB division, or a customer—and also remember that bills of materials usually offer the most accurate basis for determining requirements and controlling material usage. See if you can use existing bills of materials.

9. Consolidate these requirements with your own on the proper CMP form. For the third quarter of 1943, the CMP-4 applications were due from prime consumers on April 15.

10. Don't forget to adjust your over-all requirements to account for your *inventory position* and for *lead time*.

11. See that your inventory control provides an adequate check against exceeding the ceiling—60-day supply of each shape and form of controlled material or a practicable working minimum, whichever is lower.

12. If necessary, submit a letter of transmittal with your next application for allotment, explaining methods of estimating production schedules or any other points which you think call for clarification.

13. Review your buying practices to line them up with CMP and the new scheduling controls.



14. Determine to what extent you and your subcontractors and suppliers can fill controlled material requirements through "small orders," or through warehouses and retailers without allotment numbers.

15. Establish your priority position for obtaining maintenance, repair and operating supplies under CMP Regulation No. 5.

16. Adapt your bookkeeping and accounting procedures to provide accurate records of allotments received and made as well as material receipts and disbursements.

17. Check applicable M, L, P or other WPB orders for possible conflict between their provisions and CMP

regulations affecting your operations.

18. Don't forget to adjust your FRP authorization carried over from the first quarter and your second-quarter CMP allotments to eliminate any duplications.

19. Start reviewing your second-quarter allotments and reallocations to your secondary consumers for necessary adjustments resulting from over- and under-allotment.

20. Line up any appeals or applications for relief you think necessary to improve your operating efficiency under CMP.

From *CMP: How Material and Production Controls Work*, The Research Institute of America, New York, 1943.

## WMC Probes Absenteeism

**P**RELIMINARY study of the records of 45 plants in Michigan, Ohio and Kentucky by the War Manpower Commission reveals that in more than half of them, with 210,000 employees, failure of workers to report regularly is seriously crimping output. Absenteeism in plants having the most complete records of those studied runs from 3 to more than 6 per cent of the total working force, with little difference in the records of men and women, or white and colored workers, or other groups.

Eleven main reasons for absenteeism, the study reveals, are: illness; job shopping and piracy; lack of information on the relation of an employee's work to the finished product, and of

the importance of the product in winning the war; long hours and excessive overtime; wages and wartime prosperity; inadequate housing or transportation, or both; carelessly planned production; time taken by women workers to perform household duties; lack of good supervision; hiring in excess of immediate needs; accumulation of finished goods, leading workers to assume erroneously that what they are making is not urgently needed in the war effort. Excessive consumption of *spiritus frumenti* was found to be a factor in only one of the plants studied.

An absenteeism check-list will be made available to employers and worker groups by the Commission to facilitate analysis of various situations

and to furnish plant labor-management production drive committees with background on possible causes of absenteeism. The check-list is not a government questionnaire and will not be returned to any government agency.

Through the new check-list, employers will be asked by the WMC to seek their own answers to such questions as: Do workers have to wait for assignments? Is supervision adequate? Are foremen fully informed of their responsibilities? Are additional workers hired only when the plant is ready to assign them to jobs or put them into full-time training? Are explanations given workers for temporary layoffs caused by material shortages or by other factors beyond the employer's control?

The list of questions directed to workmen includes: Do you remain

absent frequently to shop for jobs paying a few cents more an hour? [It is difficult to imagine anyone answering this question in the affirmative, even if such is the case.] Is absence to take care of personal affairs actually necessary? Do you realize the vital necessity of being on the job?

In addition to reasons furnished by labor and management, inadequate community services frequently cause absenteeism, the WMC points out. Workmen may take time off to look for houses or rooms. The provision of good recreational facilities, opportunities for workers to obtain medical care in the evening hours, and facilities for cashing checks might eliminate other causes of lost time. By A. H. ALLEN. *Steel*, January 25, 1943, p. 31:2.

### *Women's Wages in New York State*

A MAJORITY of war plants in New York State have adopted the standard of "equal pay for equal work" and report identical entrance rates for men and women. But, despite the demand for women in the labor market, a large group of employers indicate they are not adhering to this principle. Among 141 plants which submitted comparative rates to factory inspectors during the first six-month period in 1942, 89 reported equal rates; in 50 firms, the rates were lower for women; and two plants had differentials only for some occupations. Of 513 war plants which during the latter half of the year supplied data on the relationship between men's and women's entrance rates for the same occupations, 314 (61 per cent) paid the same rates to both sexes; 173 (34 per cent) paid lower rates to women; and 5 per cent reported some occupations at lower rates and others at the same rates.

Some employers indicated that the lower rates were due to a dilution of the job—i.e., breaking it down into more simplified skills. One company stated that the men handle two or three machines, whereas the women handle but one. Other plants referred to the fact that women do the lighter work or require setup and servicing by men.

Plants paying lower rates reported, with few exceptions, differentials ranging from 5 per cent to 37½ per cent. The majority of the plants paying lower rates had differentials of 16 per cent or more.

—*The Industrial Bulletin* (New York State Department of Labor) 3/43



# Marketing Management

## How Retailers Weather the War

**P**ERPLEXED by problems of narrowed margins of profits, shortages of goods, declining volumes in some lines, boom volumes in other lines, rising expense trends, and all the other difficulties of wartime, retailers hang on with grim determination and a sturdy hopefulness. In fact, as late as last summer there had been no noticeable increase in the mortality of retailers, although it had been widely predicted they would soon be going out of business in large numbers.

Reinforcing these observations, a survey of retailing now being conducted by the Research and Statistical Division of Dun & Bradstreet indicates that comparatively few retailers are considering withdrawing from business. More than 100,000 questionnaires are being distributed by Dun & Bradstreet to retailers of all types asking their attitude toward continuing in business; the effects of price ceilings; the effects of merchandise shortages; the trends of 1942 sales, expenses and profits; sales expectations in the first half of 1943; and whether sufficient help is available. Preliminary findings are based on about 3,000 returned questionnaires.

Most of the early returns are from states east of Ohio. Some observers think the difficulties of retailers have been somewhat less in these eastern states than in other sections of the country. Others believe that the problems faced by retailers in the eastern

states have been as great as, if not greater than, those of retailers elsewhere in the United States. At any rate, only about one in five answered the first question, a query which gave opportunity to state a reason why the retailer might be considering sale or liquidation of his business. The proportion of potential withdrawals does not differ appreciably from the normal peacetime ratio. A study of business births and deaths in 1936 indicated that, even when retailers are not under the stress and strain of war conditions, about one merchant in every six sells, liquidates, or otherwise closes out his business in the course of a year.

Most retailers clearly intend to continue; many are emphatic about it. Uncertainty seems greatest among owners of filling stations. About one-third of them have some doubts about staying open. Even automobile dealers are not so gloomy.

The proportion of concerns which might discontinue is almost as high among food merchants as among filling stations. The chief reason given in the comments is the difficulty of obtaining merchandise—the well-known shortages of sugar, coffee, butter, meats and canned goods. There is also a good deal of complaining about “blanks to fill out, reports to make—the general government burden on doing business”; but only about half as many grocers cite this as mention merchan-

dise shortages. The burden of government forms, however, has doubtless assumed even more importance with the inauguration of rationing of canned goods. Shortage of help (including the prospect that the proprietor may be drafted) is mentioned as often as government red tape as a possible cause for quitting. But few merchants cite the lack of profits as a reason.

At the other end of the scale are the retailers of apparel and accessories. Less than one in eight of them reports considering liquidation or sale of his business. There is little reason why these trades should be gloomy. They have thus far not been particularly troubled by shortages; sales have been unusually large in the last year; and, for almost 60 per cent of them, price ceilings have proved favorable. The ceilings, apparel retailers say, have stabilized competitors' prices, reduced price shopping by customers, prevented wholesalers from advancing their quotations, and enabled small stores to compete with chains and department stores.

This lessening of price competition is doubtless the principal reason why the effects of price ceilings were reported to have been favorable by a majority of retailers in such normally highly competitive lines as drugs, restaurants, filling stations, and automobile sales agencies.

More than 70 per cent of the food retailers, on the other hand, say that the effect of price ceilings has been unfavorable—and food distribution is also a highly competitive trade. Comments are almost unanimous in ascrib-

ing this unfavorable effect to narrowed gross margins.

Shortage of help has, of course, been troubling retailers for some time. The striking fact indicated by this survey is that, even in areas designated by the War Manpower Commission as having surplus labor, more than one-third of the merchants cannot get enough help. In areas of labor shortage, more than half of the retailers report available help insufficient. Even those retailers who can obtain enough help comment on the poor quality of the employees available or on the high rate of personnel turnover.

The relatively low level of retail wages is doubtless in part responsible. About one-fifth of the retailers say able help is available "only at high cost."

Shortage of manpower has, however, helped retailers to compensate for some of the other difficulties of wartime. Many a merchant whose volume has been reduced and whose profit margin has been narrowed also has a lower wage bill, simply because he does not need or cannot find qualified employees to replace lost personnel. Many a merchant has also been forced by the rulings of the Office of Defense Transportation to cut down deliveries, and thus has reduced this expense item. Others have made voluntary cuts in delivery service even beyond government requirements. A few report that they have effected expense savings by converting their heating plants from oil to coal, although this entailed a capital expenditure.

Despite the obstacles visible in the road ahead, retailers as a whole are reasonably optimistic about sales volume for the first half of this year. One-fifth of them expect volume to be better than in the corresponding months of last year, and one-fourth expect it to be about as good. These total figures, however, tend to obscure the gloomy prospects of some lines because of the numerical predominance of retailers of drugs, foods, apparel, and general merchandise, who face comparatively little difficulty in getting adequate amounts of merchandise to sell.

For hardware stores, lumber and

building material dealers, filling stations, and automobile dealers, the outlook is definitely unpromising. Furniture stores also expect lower sales.

For all groups the sales expectations reported are markedly less optimistic than they were six months ago.

The exigencies of wartime have apparently forced retailers to become more realistic, less complacent; more thoughtful, less routine in laying their plans for the future. Such forethought can do much to prepare retailing for the additional problems that may come.

BY WILLIAM HAYES. *Dun's Review*, March, 1943, p. 17:5.

### ***Toward Uniform Renegotiation Policies***

**T**HE Price Adjustment Boards of the War, Navy and Treasury Departments and the Maritime Commission have issued a joint statement announcing the adoption of uniform renegotiation policies.

Broadly, the following principles have been agreed upon by the four Boards in determining "excessive" profits:

1. That the stimulation of quantity production is of primary importance.
2. That reasonable profits in every case will be determined with reference to the particular performance factors present, without limitation or restriction by any fixed formula with respect to rate of profit or otherwise.
3. That the profits of the contractor ordinarily will be determined on his war business as a whole for a fiscal period, rather than on specific contracts separately, with the possible exception of certain construction contracts. Fixed-price contracts are negotiated separately from fees on cost-plus-fixed-fee contracts.
4. That as volume increases the margin of profit should decrease. This is particularly true in those cases where the amount of business done is abnormally large in relation to the amount of the contractor's own capital and company-owned plant, and where such production is made possible only by capital and plant furnished by the government.
5. That, in determining what margin of profit is fair, consideration should be given to the corresponding profits in pre-war base years of the particular contractor and for the industry, especially in cases where the war products are substantially like pre-war products. It should not be assumed, however, that under war conditions a contractor is entitled to as great a margin of profit as that obtained under competitive conditions in normal times.
6. That the reasonableness of profits shall be determined before provision for federal income and excess profits taxes.
7. That a contractor's right to a reasonable profit and his need for working capital should be differentiated. A contractor cannot be expected to earn excessive profits on war contracts merely because he lacks adequate working capital in relation to a greatly increased volume of business.

—*NAM News* 4/10/43

# *Financial Management*

## Termination of Fixed-Price Contracts

**I**N the welter of discussion on the postwar economic situation, very little attention has been devoted to the effect on the economy of the country of the widespread termination of war contracts. Many individuals, including some who will be greatly affected thereby, seem to think that this is a problem that can be solved when V-Day comes. They do not seem to realize that, at the termination of the war, much of the production in which industry has invested its working capital will be halted or slowed down and that the realization of working capital to permit resumption of peacetime activities can come only from the collection of cancellation charges on war contracts in process.

After the Armistice in 1918, settlements made by the government averaged 13 per cent of the amounts claimed by contractors. Where disputes resulted in court action, it required an average of 3½ years to settle claims. Inasmuch as war contracts in process today exceed the war contracts of World War I by more than 10 times, the problems that will result from the cancellation of contracts at the termination of this war will be infinitely greater than at the end of World War I.

Most war contracts contain termination clauses enabling the government to cancel all or parts of contracts in the event of failure of the contractor to fulfil his obligations, or in case the

need should no longer exist for the commodities covered by the contracts. Similar clauses are generally inserted in subcontracts under prime contracts which contain such clauses. The equitable settlement of uncompleted war contracts and the prompt realization by the contractor of the working capital invested therein will depend upon the interpretation of those termination clauses.

Thus far there has been no uniformity in the cancellation clauses inserted in war contracts, for each of the contracting divisions of the government is employing its own clause. These clauses vary from single paragraphs which provide virtually no protection to the contractor, to extremely lengthy clauses. Efforts are presently being made to prepare a standard cancellation clause which will be acceptable to each of the contracting divisions of the government.

In most instances, the clauses now in use are sketchy and vague with respect to determination of cost. For example, the Bureau of Supplies and Accounts stipulates that "in the event of inability between the Government and the Contractor to agree as to the percentage of completion (a sum shall be paid equal to) the cost of work performed under this contract . . . to be determined in accordance with the Explanation of Principles for Determina-



tion of Costs under Government Contracts."

Only in the clause of the Defense Plant Corporation is overhead referred to specifically, and then only as "proper overhead expenses determined in accordance with good accounting practice. . . ."

All settlements under cancellation clauses will not be made directly between the government and the contractor; many will be between prime contractors and subcontractors. However, since reimbursement for all cancellation settlements will eventually have to be made by some department or agency of the government, the effect is the same as if all manufacturers were settling directly with the government. Already many war contracts have been canceled as a result of changing emphasis in commodities required. The experiences of contractors and subcontractors in attempting to obtain satisfactory settlements, together with the vast amount of paperwork involved in substantiating their claims, indicate the extreme need for clarification of this problem.

What should be the nature of a cancellation clause? In the author's opinion, a fair and equitable cancellation clause should contain the following elements:

1. Termination should be by written notice from the purchaser, to take effect as promptly as is practicable after receipt of the notice by the contractor.

2. The purchaser should be obligated to pay the unit contract price for all completed units ready for shipment, in transit, or already delivered to the purchaser, even though the completed units represent only a portion of the total contract.

3. For items not completed, the purchaser should pay a cancellation charge

equal to all the costs incurred by the seller, which generally would comprise the following, plus a reasonable profit calculated at an agreed percentage of total cost:

- (a) Engineering and development costs and expenses incident to the contract, including the cost of patterns, drawings and tools manufactured for use on the contract.

- (b) The cost of all materials expended in production of the contract, and the cost of materials purchased for manufacture of supplies or equipment covered by the contract for which the contractor would not *normally* have any subsequent use.

- (c) The cost of all direct labor expended on the contract up to the time that notification of cancellation was received.

- (d) The cost of cancellation charges of suppliers from whom the contractor had ordered materials which had not been delivered.

- (e) A pro rata share of *all* the overhead of the manufacturer.

4. Provision should be made whereby the contractor can complete, within a reasonable length of time, those items which are near completion, settlement for which would then be made in accordance with (2) above.

5. Provision should be made whereby, in the event of dispute, the government would pay to the contractor some mutually satisfactory sum of money which would be less than the cancellation charge, pending agreement as to the cancellation charge, so that the vendor would have working capital and could continue his production.

6. Where, in order to manufacture products dissimilar to the contractor's regular products, it was necessary to alter the plant arrangement, provision should be made for reimbursing the contractor for reconvertng the plant for normal production, unless the income tax laws are amended to permit the deduction of reserves created for this purpose out of war profits.

7. With the prior approval of the purchaser, the contractor should be reimbursed for costs incurred after the effective date of the cancellation notice, in mitigating loss resulting therefrom and in the protection, removal or storage of materials in process.

8. In addition to the costs enumerated above, the purchaser should be responsible for the payment of a sum equal to a stipulated percentage of such costs and expenses

in lieu of the profit that would have been earned had the contract been completed.

9. For the protection of the purchaser, it should be stipulated that the uncompleted items and unused materials for which he is being charged are to be disposed of in accordance with his instructions. However, it should also be stipulated that such disposition be made within a reasonable length of time; otherwise, the contractor is liable to find himself storing the materials indefinitely and possibly would be hampered in his peacetime production thereby.

Since it is apparent that a large part of the indirect expenses incident to a contract are incurred prior to commencement of actual fabrication of the product, it seems reasonable to contend that the cancellation charge should be calculated on the basis of:

(a) direct costs incident to the contract calculated in the usual manner; and

(b) indirect overhead, on the basis of the percentage normally incurred to point of cancellation, applied to the amount of expenses which would have been chargeable to the contract had the contract been completed.

Studies made in the machinery building industry indicate that more than 50 per cent of indirect engineering and administrative expenses are incurred prior to commencement of fabrication of the product.

BY DUNDAS PEACOCK. *Credit and Financial Management*, April, 1943, p. 4:5.

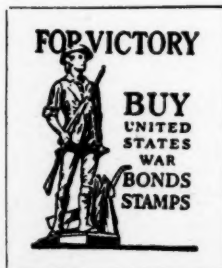
### Earnings in Aircraft-Engine Plants

**S**TRAIGHT-TIME hourly earnings of first-shift workers in aircraft-engine plants averaged \$1.039 in May, 1942. The earnings of workers in individual occupations ranged from an average of 62.9 cents for learners and 80.0 cents for packers to \$1.404 for floor molders. Approximately three-fourths of all first-shift workers were in jobs averaging \$1 an hour or more.

—*Monthly Labor Review* 12/42

A MAJORITY of the industrial concerns covered in a recent survey by the Division of Industrial Economics of the National Industrial Conference Board spent over 1,000 man-days each in 1942 answering questionnaires and filing reports required by the government. Half of these firms found it necessary to devote 5,000 or more man-days to this work. These figures do not, for the most part, take into account the time devoted to such tasks by top executives, auditors and legal staffs.

—*The Journal of Commerce* 3/3/43



# Insurance

## The Revised New York Fire Policy

**T**HE revised New York Standard Fire Insurance Policy—which many other states may be expected to adopt—is a streamlined instrument. In both phrasing and substance it represents a great improvement over the second New York Standard Fire Insurance Policy (1918), which it will replace on and after July 1, 1943.

Extensions of coverage in the revision include the following perils:

1. Direct loss by lightning—which is specified as a covered peril in the insuring clause. This obviates the necessity for the “tens of thousands of riders” or “lightning clauses,” covering direct loss by lightning without resultant fire, which are currently attached to policies in the second New York form.

2. Loss by fire following the fall of a building. Coverage of this peril takes on added importance in wartime, when explosions off the insured premises may result in the fall of the building in whole or in part—with fire ensuing.

3. Loss by fire following a riot, the liability of the insurer being specifically limited to fire loss only.

4. Loss by fire resulting from “civil commotion.” (A leading authority on fire insurance has recently expressed the opinion that this phrase may be extended by the courts to cover loss by fire resulting from disturbances

among workmen or between pickets and police.

5. Loss by fire or other perils insured against which may be caused by acts of destruction by order of civil authority “at the time of and for the purpose of preventing the spread of fire”—provided such fire did not originate from any of the perils specifically excepted.

Coverage of items of property not required to be named specifically has been extended to include “mechanical drawings, dies and patterns”; and the word “notes” has been dropped from the list of uninsurable items. In the latter case, however, the designative phrase, “evidences of debt,” which is still on the list, is widely construed as being sufficiently comprehensive to include notes.

In the War Risk Exclusion Clause, the word “riot” and the phrase “civil war or commotion” have been dropped, and the words “bombardment,” “rebellion” and “revolution” have been added.

Several clauses which void the liability of the insurer unless otherwise provided for by endorsement or attached agreement in writing have been eliminated. Among them are:

1. “Other than unconditional and sole ownership.” As an illustration of the losses to which policyholders were exposed under this voiding clause, Julian Lucas, former president

of the National Association of Insurance Brokers, has cited a study made recently by George W. Goble, of the University of Illinois. Of 581 fire insurance policies examined, 28 per cent of all fire policies on real property and 55 per cent of all fire policies on jointly owned real property were found to be void and unenforceable under the law of Illinois as a result of this clause.

2. "Building on ground not owned in fee simple," or the "leased ground" clause.

3. The "foreclosure clause"—which voids the policy "if, with the knowledge of the insured, foreclosure proceedings be commenced or notice given of sale of any property insured hereunder by reason of any mortgage or trust deed."

4. "Change of interest, title or possession of the subject of Insurance."

5. Assignment of policy before a loss. This voiding clause has been eliminated in the revision, but the front page of the new policy contains this statement: "Assignment of this policy shall not be valid except with the written consent of this Company."

Seven suspensions of insurance under specified conditions ("unless otherwise provided in writing added") have been eliminated in the new policy. The omitted "suspending" conditions are:

1. Other insurance. But this elimination in the new policy is subject to the provision, "Other insurance may be

prohibited or the amount of insurance may be limited by endorsement attached."

2. Chattel mortgage.

3. Building, altering or repairing the premises beyond a period of 15 days.

4. Illuminating gas or vapor generated on the premises.

5. Fireworks, explosives, gasoline, and kerosene in excess of five barrels, etc., on the premises.

6. Operation of factories between 10 p.m. and 5 a.m.

7. Cessation of factory operations beyond a period of 10 days.

With respect to the last five, it might be held that in some cases the conditions referred to would constitute such an increase of hazard as is envisaged by a clause in the Revised Policy which suspends insurance, "while the hazard is increased by any means within the control or knowledge of the insured." However, it is argued by eminent fire authorities that only "a very substantial or flagrant increase" of hazard will be open to this construction.

Finally, in addition to the listed eliminations, the period of permitted vacancy or unoccupancy of a building (before suspension of insurance begins) has been extended from 10 to 60 days.

*Credit and Financial Management*, February, 1943, p. 17:3.

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► U. S. soldiers and sailors have taken out \$45,000,000,000 in national service life insurance—a figure equal to one-third the insurance carried by the entire population.

—*Business Conditions Weekly* (Alexander Hamilton Institute, Inc.) 4/17/43



## **Six-Point Program Combats Absenteeism**

**A** COORDINATED program to combat absenteeism was recently adopted by the Aircraft War Production Council, Inc., which includes all major West Coast aircraft manufacturers. An analysis of the methods to be employed indicates that most of them might well be adopted by industry generally. The plan follows:

1. Control of absenteeism due to personal illness (the largest single cause) will be accomplished through subcommittees on industrial medicine and accidents. All companies will pool data on preventive and corrective methods.

2. Control of absenteeism due to personal business or family responsibilities is to be facilitated by development of adequate provisions for child care. A comprehensive plan for this has been inaugurated and presented to government agencies. Group action will also be taken to encourage merchants to maintain shopping and service facilities at hours meeting the needs of aircraft plant employees.

3. Absenteeism resulting from inadequacy or failure of transportation facilities is to be fought through an integrated transportation program. Each company will maintain a transportation department where workers may arrange for group riding.

4. Absenteeism resulting from inadequate housing facilities is to be combatted through a group approach to government housing agencies for conversion of suitable structures and construction of new multiple-unit housing projects.

5. Absenteeism resulting from inadequate food in plant canteens and cafeterias will be overcome through an allocation of minimum food requirements to the plants.

6. An exchange of statistical data on absenteeism is to be undertaken among members and with aircraft companies in the East. Data will include a breakdown by sex, shift and department in the following categories: personal illness; illness or death in family; personal business; transportation and housing; reason not given; miscellaneous.

The following recommendations for long-range control of absenteeism in aircraft assembly plants are also offered:

Establishment and maintenance of proper national perspective on absenteeism, showing its actual relationship to production.

Redefinition of absenteeism to distinguish between "excusable" and "inexcusable" absenteeism from work.

Continuing surveys, as a guide to corrective steps, on such questions as change of payday from Friday to Saturday to control Saturday absenteeism; arrangement of the workweek so that workers can attend to personal affairs; and vacations as a reward for perfect attendance.

—*The Journal of Commerce* 3/22/43

## **Keeping Track of Workers' Draft Status**

**F**ULLER BRUSH COMPANY maintains a visible index file for all employees for whom deferments are requested. This file is kept on 8" by 5" cards arranged by departments.

Pertinent information regarding the employee's deferment status, details of deferment requests, and name of the trainee being groomed for replacement are shown. Signals chart the number of months for which the employee has been deferred and indicate details of deferment and selective service classification.

This record provides a reminder of dates when men will be called into the armed services and enables the company personnel officers to make arrangements in advance for replacing men as they are called.

—*American Business* 4/43

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## Survey of Books for Executives

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**Wartime Supervision of Workers: The Human Factors in Production for Executives and Foremen.** By Richard S. Schultz. Harper & Brothers, New York, 1943. 206 pages. \$2.25.

*Reviewed by Guy B. Arthur\**

Those who have followed the series of articles\*\* from which this volume of questions and answers was compiled will find it easy to enter into the spirit of the book and test their own knowledge of the psychological phases of leadership by means of it. Certainly there has never been a time when stress and strain on human relations has been greater, nor a time when supervisors needed to give more thought to "how" and "why" people react to given situations. In approaching this problem, Dr. Schultz stresses the need for recognizing individual differences in people and, at the same time, demonstrates the similarity of their reactions to specific situations. The scope of the contents is indicated in the following headings: "Building Morale," "Fitting the Worker to the Job," "Avoiding Accidents in War Industries," "Increasing Production by Better Work Hab-

its," "Using the Interests and Energies of Workers for Production," "Training Workers," and "Methods of Training Supervisors on Standard Practices in Directing Workers."

The question-and-answer presentation of the subject matter proves to be a convenient one, especially since foremen have often asked these particular questions without receiving satisfactory or reliable answers. Attempts have been made by various companies, lecturers and writers to instil a modicum of psychological knowledge into supervisors, but in most cases the dryness of the subject and the strangeness of its terminology have neutralized their efforts. In this book, however, we find a new and constructive approach to the problem. For example, readers concerned with production will find the questions in the sections, "Combine Observation and Interest with Practice" and "Develop Automatic Actions and Smooth Work-Habit Patterns," particularly stimulating. Then, again, those who are at the moment primarily occupied with accident prevention will naturally give especial attention to the section, "Analyze Accidents for Prediction and Control." The manner in which the book is organized permits the reader to turn at

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\*\* These articles appeared in *Supervision* in 1941 and '42.—Ed.

once to the phase of foremanship with which he is currently most concerned—a great advantage during the present hustle and bustle, when most of us have time to read only about our most pressing problems. Of course, we shall delve further if the manner of presentation attracts us; and, in the case of this volume, it probably will.

The discussion of "Foremen Qualifications in War Industry" is especially pertinent today, when we are faced with the necessity of selecting new foremen from candidates with whom we are wholly unfamiliar. This is but one of the many problems which have arisen during the current all-out effort, but it is one which must be reckoned with like all the rest.

"For many years," writes Dr. Schultz in his concluding chapter, "there have been some few who have

had the fond hope that, after the standardization of operating methods, physical equipment, manufacturing processes, and accounting methods, it would then be possible to approach some basis for setting up standard practices in human relations." Yes, such has been the hope of many pioneers of scientific management, and Dr. Schultz's practical attempt to popularize better methods of directing fellow human beings merits careful attention. All in all, the book represents a forward step in the establishment of standard practices in handling human relations. It is worth the serious consideration of every executive and foreman, since it clarifies the reasons underlying the procedures developed by progressive personnel men over the years.

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### *Briefer Book Notes*

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**THE DYNAMICS OF BUSINESS.** By Norman J. Silberling. McGraw-Hill Book Company, Inc., New York, 1943. 759 pages. \$5.00. In this work the late Dr. Silberling systematically analyzes the dynamic aspects of American business and examines the trends and relationships of economic factors as well as business-cycle phenomena. Attention is confined to the measurements of magnitude and movement and interpretation of changes, pointing a new light on intelligent planning of business and governmental activities. The book includes an analysis of cyclical movements in agriculture, building, production, trade, finance and wages.

**SOCIAL ASPECTS OF INDUSTRY: A Survey of Labor Problems.** By S. Howard Patterson. McGraw-Hill Book Company, Inc., New York, 1943. Third edition. 536 pages. \$3.00. The third edition of this elementary yet comprehensive survey of labor problems stresses the social point of view rather than that of management or of organized labor. The book has been almost completely rewritten to include recent census figures, to present new material on New Deal legislation of significance to labor, and to evaluate the impact of World War II on labor.

**GUIDE TO COMPILATION AND MAINTENANCE OF THE REVISABLE MANUAL.** By W. S. Harris. Farm Credit Administration, U. S. Department of Agriculture, Kansas City, Mo., 1942. 55 pages. Detailed outline of the steps involved in compiling a manual

of standard procedures, with helpful suggestions on its revision and maintenance in up-to-date form. While addressed primarily to the needs of a government agency, this guide should prove generally useful to industrial concerns engaged in formulating standard practices.

**RECOMMENDATIONS FOR PROPER EMPLOYMENT OF THE INDIVIDUAL LETTER, CIRCULAR LETTER, AND REVISABLE MANUAL.** By W. S. Harris. Farm Credit Administration, U. S. Department of Agriculture, Kansas City, Mo., 1942. 27 pages. A study of the "ease-of-reference" factors which facilitate use of standard practice manuals and letters of instruction, with recommendations for proper employment of these instruction forms.

**SALESMANSHIP: For Vocational and Personal Use.** By Carl B. Strand. McGraw-Hill Book Company, Inc., New York, 1942. 326 pages. \$2.00. This text approaches salesmanship from the standpoint of developing a well-balanced and desirable personality. It emphasizes the principles of human engineering involved in salesmanship, attempting first to give the student a firm foundation of self-knowledge, then to foster favorable character and personality traits, and finally to build up the particular skills required in influencing other people.

**LIBERTY CONCEPTS IN LABOR RELATIONS.** By Byron R. Abernethy. American Council on Public Affairs, Washington, D. C., 1943. 119 pages. \$2.00. Dr. Abernethy examines here the fundamental liberties and privileges involved in labor-management conflict, analyzes the significance of political theory in this field, and seeks to evolve a basis for reconciling the discordant attitudes. Despite an avowal of impartiality, the book smacks of anti-management bias.

**ACCOUNTING SYSTEM: Their Design and Installation.** By William Rodney Thompson. LaSalle Extension University, Chicago, 1942. Third edition. 749 pages. \$5.00. This text explains the underlying principles of accounting system structure, outlines the procedure of system installation, and illustrates the application of system installation and procedure in different types of business organizations. The illustrative cases comprise systems for a wholesale house, a department store, a manufacturing concern, an investment house, and an endowed hospital.

## PUBLICATIONS RECEIVED

**Materials Handling: Principles, Equipment and Methods.** By Harry E. Stocker. Prentice-Hall, Inc., New York, 1943. 309 pages. \$3.75.

**American Economic Objectives.** Edited by Captain William McKee and Louis J. Wiesen. The Economic and Business Foundation, Inc., New Wilmington, Pa., 1942. 220 pages.

**Co-operation Goes to Work.** By Harold L. Post. C. C. Nelson Publishing Company, Appleton, Wis., 1942. 202 pages.

**Industrial Inspection and Assembly.** By Edward N. Whittington. McGraw-Hill Book Company, Inc., New York, 1943. 202 pages. \$2.25.

**Labor Policy and the Business Cycle.** By Sidney C. Sufrin. American Council on Public Affairs, Washington, D. C., 1943. 52 pages. \$1.00.

**Postwar Economic Problems.** Edited by Seymour E. Harris. McGraw-Hill Book Company, Inc., New York, 1943. 417 pages. \$3.50.

**An Introduction to Managerial Business Statistics.** By Harry Pelle Hartkemeier. Thomas Y. Crowell Company, New York, 1943. 207 pages. \$1.75.

**Concentration of Consumer Industries and Trade in Britain.** British Information Services, New York, 1943. 23 pages. Gratis.

**Careers in Labor Relations.** By Florence Peterson. Science Research Associates, Chicago, 1943. 49 pages. 60 cents.

**War and Post-War Social Security: The Outlines of an Extended Program.** By Arthur J. Altmeyer et al. American Council on Public Affairs, Washington, D. C., 1942. 89 pages. \$1.00.